

NAVY review(s) completed.

DEPT OF STATE review(s) completed.

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GENERAL

1. Soviets anticipate abolition of Allied Control Commissions in Europe. Ambassador Smith has received the Soviet reply to US proposals for revision of the Italian armistice. While agreeing "basically," the USSR assumes that the Allied Commissions in the other European satellite countries will also be abolished. Smith sees no advantage in continuation of the Balkan ACC's and recommends immediate notification to the Soviets if the US agrees to their abolition.
2. Turkish President suspects Soviet intentions--Embassy Ankara reports that President Inonu has expressed concern to the British Ambassador that the USSR will (a) sponsor a scheme "under UN" for international bases in the Straits and then (b) sabotage UN and remain in possession of the bases.
3. The light cruiser, USS FARGO, with Commander Tenth Fleet embarked, is making a fourteen-week cruise for courtesy visits or inspection of US bases at thirteen Atlantic ports. The FARGO is due back at Philadelphia or Norfolk on 31 July.

EUROPE-AFRICA

4. FRANCE: Constitutional vote to be close--According to Caffery, most observers believe that the Constitutional referendum vote on 5 May will be close. Although the Socialists are allied with the Communists in support of the draft Constitution, the campaign is shaping up as a struggle of the latter "against the field."
The intervention of De Gaulle in such a close contest might be decisive. Conservative and moderate circles, and some of his ex-Ministers, are pressing him to join the campaign "against Communism." However, the General has declared that he does not plan to intervene. According to a French official, De Gaulle considers that war between the USSR and the western Allies is "still likely;" he intends to take no step which might be interpreted as a bid for power, but to hold himself "in reserve" for this contingency. If war breaks out, he is confident that an overwhelming majority of people would desire his return.

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5. HUNGARY: Premier encouraged by visit to Moscow--The Hungarian Premier Nagy has informed Minister Schoenfeld in Budapest that during his recent conversations with Stalin the Soviet leader suggested that the language of the Rumanian armistice left the way open for Hungary to claim "some adjustment" of its (Transylvanian) border with Rumania. Nagy declared that the Soviets had not asked him for the "slightest political undertakings" and emphasized his "strong conviction" that he "now has a free hand to manage his Government."

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